

United States

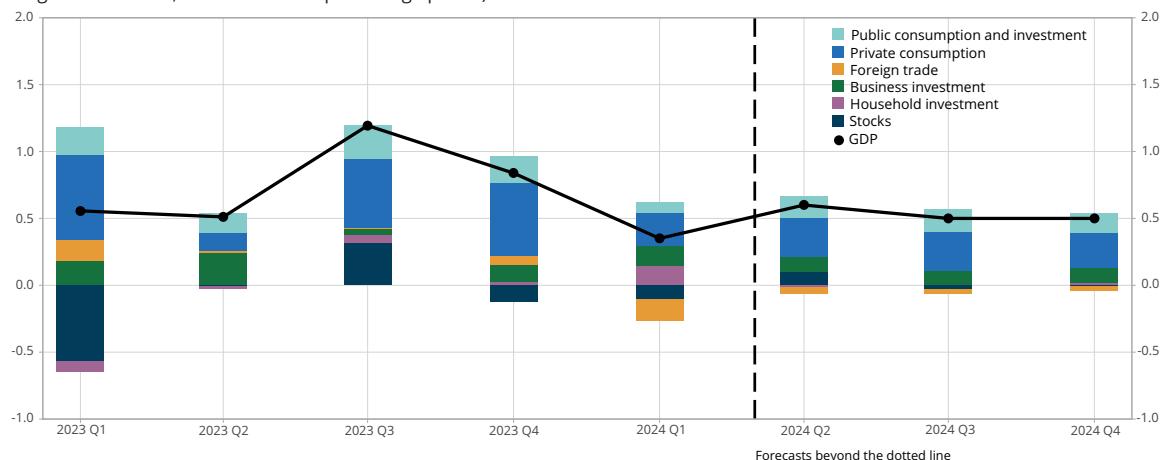
The US economy slowed at the start of 2024, while still remaining robust: growth reached +0.4% in Q1 2024, after +0.8% in Q4 2023 (► **Figure 1**). Activity was occasionally hampered by the decline in production in the extractive sector (-2% in Q1) as a result of unfavourable weather conditions during the winter. On the demand side, private consumption slowed slightly but remains vigorous (+0.4% in Q1 after +0.8% in Q4 2023), with households benefiting from real wage increases and job creations. Private investment has also improved significantly (+1.7%): with the increase in past housing starts, home investment has been particularly buoyant (+3.8% after +0.7% in Q4 2023), whereas non-residential investment (+1.1%) was driven mainly by investment in intellectual property. Meanwhile, manufacturing sector investment in buildings and structures stabilised at a high level: with the effect of the Inflation Reduction Act, this investment has virtually doubled since mid-2022 (► **Figure 2**). Government consumption and investment were at a standstill in Q1 (+0.4% after +1.1%), after budgetary policy had strongly supported US activity in 2023, resulting in a high government deficit (-6.2% of GDP in 2023). Foreign trade held back growth (-0.2 points): exports were at a standstill (+0.4%) while imports grew strongly (+1.5%) in April.

With regard to prices, inflation as measured by the Bureau of Labor Statistics stood at +3.3% year-on-year in May after +3.4% in April (► **Figure 3**). Food inflation was relatively stable (+2.1% in May against 2.2% in April) and core inflation remains high (+3.4%), fuelled by growth in wages and rents. This relatively slow decline in measured inflation has generated uncertainty over the timing of future interest rate cuts by the Federal Reserve in 2024.

For the coming quarters, business tendency surveys point towards continued strong activity. GDP is expected to grow by 0.6% in Q2 with the recovery of the extractive sector, and then by +0.5% per quarter in H2 2024: growth throughout 2024 as a whole is therefore likely to stand at +2.5%. Purchasing power should continue to improve, driven by the continued buoyancy of job creations, combined with increasing real wages. These gains in purchasing power are expected to fuel private consumption, which would then continue to grow, although at a more moderate pace: the margins for downward adjustments of the savings ratio seem to have been exhausted, and it is therefore likely to stabilise, at a much lower level than before the health crisis. Vigorous growth in corporate investment is expected to continue. On the government demand side, Congress approved the federal budget at the end of March and government consumption and investment should start to bolster domestic demand substantially once again from Q2 onwards. Exports should increase in line with world demand for US products, while growth in imports is expected to be slightly more sustained, driven by the momentum of domestic demand: the contribution of foreign trade to growth is therefore likely to be slightly negative in the forecast. ●

► 1. Contributions of United States GDP components to growth

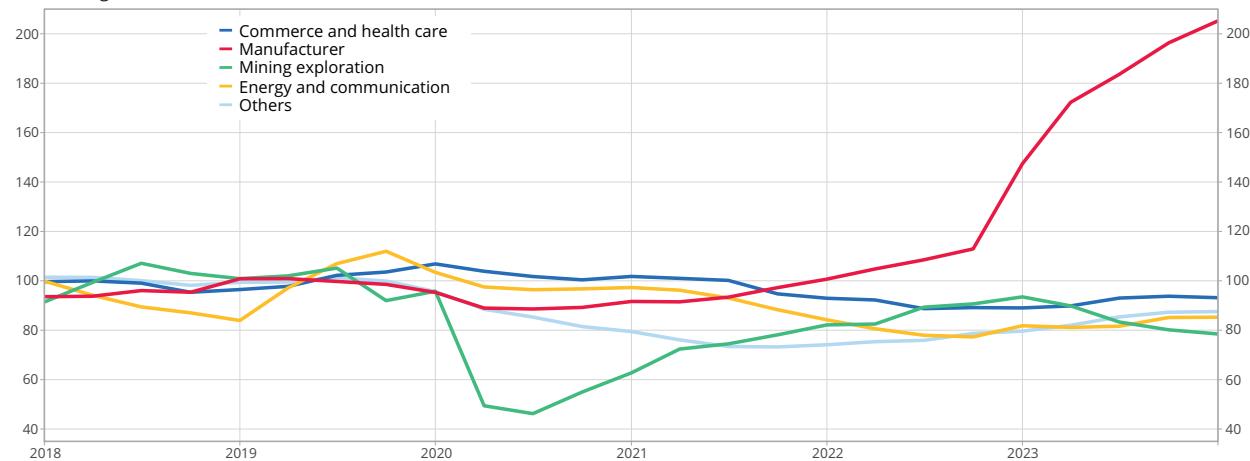
(quarterly changes in GDP in %, contributions in percentage points)



How to read it: in Q1 2024, US GDP increased by 0.4% and private consumption contributed +0.2 points to this growth.

Source: Bureau of Economic Analysis and previous INSEE.

► 2. Variation in components of non-residential investment in structures in the United States (base 100= average 2019)



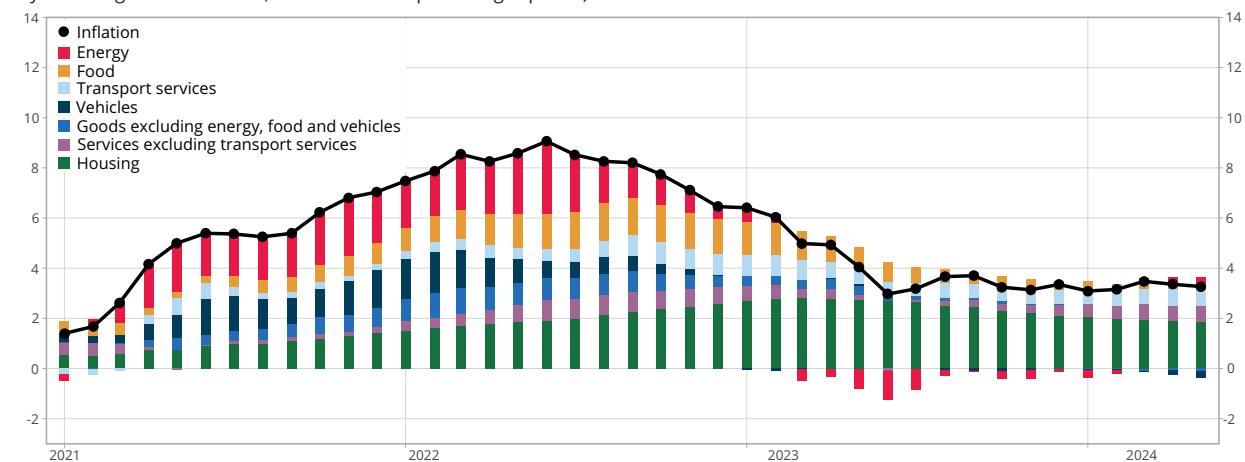
Last point: Q1 2024.

How to read it: on Q1 2024, manufacturing investment in structures was 105% above its 2019 average.

Source: Bureau of Economic Analysis.

► 3. Year-on-year variation in the consumer price index

(year-on-year change in the CPI in %, contributions in percentage points)



Last point: May 2024.

Note: the "Housing" item in the consumer price index (CPI) includes the price of rents, and in particular imputed rents (which is not the case in the CPI in France or the HICP in the eurozone, where only actual rents are taken into account). The BLS publishes an HICP-type index for international comparisons: inflation measured in this metric is much less dynamic, standing at 2.0% year-on-year in May 2024.

How to read it: in May 2024, consumer prices rose by 33.3% year-on-year in the United States, with housing prices accounting for 1.9 points of the increase.

Source: Bureau of Labor Statistics.